IN THE UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

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In re : Chapter 9

CITY OF DETROIT, MICHIGAN, : Case No. 13-53846

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Debtor. : Hon. Steven W. Rhodes

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DECLARATION OF WILLIAM WOLFSON

- 1. If called as a witness, I am competent to testify to the facts contained in this Declaration and these facts are true.
- 2. I am the Chief Operating and Compliance Officer/General Counsel of the Detroit Water and Sewerage Department ("<u>DWSD</u>").
- 3. On August 23, 2012, Lasalle Town Houses Cooperative Association, Joliet Town Houses Cooperative Association, and St. James Cooperative (collectively, the "<u>Plaintiffs</u>") filed a complaint against the City of Detroit, acting through its Detroit Water and Sewerage Department, in the United States District Court for the Eastern District of Michigan ("<u>District Court</u>"), commencing case number 12-13747 ("Lawsuit").
- 4. Due to the complex nature of the Lawsuit, and the limited legal resources available to the DWSD, the DWSD retained Clark Hill PLC ("Clark Hill") as its counsel.
- 5. On July 18, 2013 (the "<u>Petition Date</u>"), the City of Detroit filed a petition for relief ("<u>Bankruptcy Case</u>") in the Bankruptcy Court for the Eastern District of Michigan ("<u>Bankruptcy Court</u>").
- 6. Clark Hill represents the General Retirement System of the City of Detroit in connection with the Bankruptcy Case.
- 7. As a result of Clark Hill's irreconcilable conflict, in or around July 2013, the DWSD terminated Clark Hill as its counsel in the Lawsuit.

- 8. If the Bankruptcy Court were to allow the Plaintiffs to proceed with the Lawsuit, the DWSD would be required to obtain new outside counsel to represent it in the Lawsuit.
- 9. Hiring new outside counsel would cause the DWSD to incur substantial expenses. New outside counsel would be required to, among other things, review the numerous motions, pleadings and discovery responses filed in the Lawsuit.
- 10. Further, if the Lawsuit is allowed to proceed and the DWSD's motion to dismiss is not granted by the District Court, the Lawsuit would consume large resources. As a potential class action, the Lawsuit is a significant matter requiring considerable legal expenses.

I declare under penalty of perjury that the foregoing is true and correct. Executed on October <u>9-3</u>, 2013.